Weekly Economic Review

Fewer home sales in July

Resale Housing

Resale market cools

Alberta's resale housing market slid back in July. The number of home sales fell 2.1% month-over-month (m/m), as fewer sales in Calgary overwhelmed steady sales activity in Edmonton and the rest of Alberta (Chart 1). After increasing for five consecutive months, new listings dropped 4.6% m/m in July, keeping the market in balance with a sales-to-new listing ratio of 46%. The average resale price in the province fell below $400,000 for the first time since February.

Nationally, home sales fell 2.1% m/m in July led by continued cooling in the Greater Toronto Area (GTA).

Manufacturing Shipments

Lower prices temper shipments

After seven straight monthly increases, manufacturing shipments pulled back in June. The value of manufacturing shipments in Alberta decreased 2.0% m/m to $5.9 billion, weighed by lower oil prices for petroleum products and a decline in chemical sales. The decline was contained by gains in fabricated metals, food, and machinery. Even with the monthly decline, manufacturing sales in the first half of 2017 were up 15% from the first half of 2016, with most industries showing improvement.

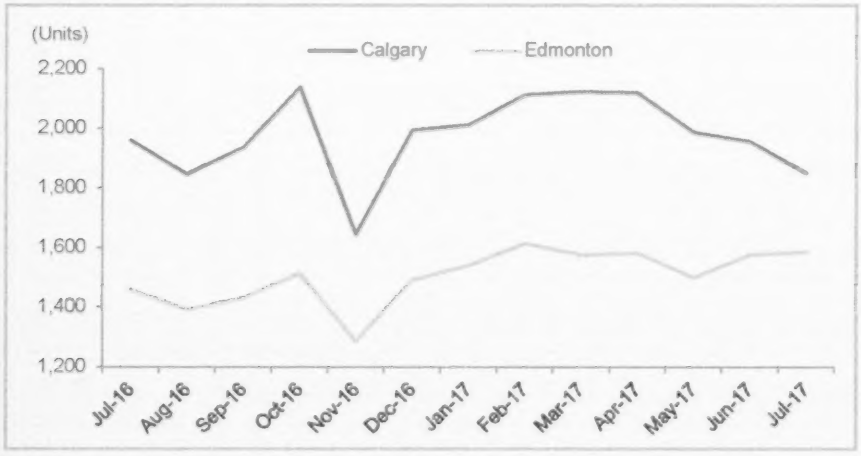
Consumer Price Index

Inflation ticks up

Alberta's inflation rate moved higher in July along with stronger growth in energy prices. The consumer price index (CPI) rose to 1.0% year-over-year (y/y) in July from 0.4% y/y in June. The increase in the inflation rate was due to higher energy prices compared to a year ago. Excluding energy, inflation ticked up to 0.8% y/y as higher prices for clothing, footwear, and services offset continuing year-over-year price declines for food purchased from stores, rent, and homeowners' replacement cost.

Chart 1: Calgary sales drag on resale market

Seasonally adjusted home sales



Source: Canadian Real Estate Association

New Vehicle Sales

Sales continue to be strong

New vehicle sales have been strenghening throughout 2017, following lacklustre sales in 2016. In June, 24,183 new vehicles were sold, 14% more than last June. Sales have continued to improve over last year led by elevated truck sales (+18% y/y), whereas passenger cars sales remain nearly unchanged (+0.7% y/y). On a year-to-date basis, vehicle sales were up 12%.

International Travel

US visitors set a new high

The tourism sector attracted more international travellers on the eve of Canada 150th celebrations. The number of non-resident tourists entering Canada via Alberta totalled 88,575 in June, up 0.5% from a month prior. The number of US visitors surged to the highest level on record, breaking the previous high set during the Calgary Winter Olympics Games in 1988. Meanwhile, the numbers of Canadians returning from abroad through Alberta jumped up 18% m/m.

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Please see the *Alberta Economy- Indicators at a Glance* for a snapshot of Alberta indicators.